

STATE OF WASHINGTON

Phone: (360) 725-7000

MIKE KREIDLER
STATE INSURANCE COMMISSIONER



FILED

DECLARATION OF MAILING

I declare under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to parties hereto.

DATED this 5th day of Oct, 2004, at Tumwater, Washington.

Signed: W. Hallenby

OFFICE OF
INSURANCE COMMISSIONER

2004 OCT -5 A 8:59

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

In the Matter of:

UNIMED INSURANCE COMPANY, et. al.,

Unauthorized entities,

and

WILLIAM A. LEDEE III, et. al.,

Principals.

No. D04-150

NOTICE OF HEARING

TO: Brian Kreger, Attorney for Respondents
Ryan, Swanson, Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, Washington 98101-3034

COPY TO: Mike Kreidler, Insurance Commissioner
Michael G. Watson, Chief Deputy Insurance Commissioner
J. Scott Jarvis, Deputy Insurance Commissioner, Consumer Protection Div.
James T. Odiorne, Deputy Commissioner, Company Supervision Division
Carol Sureau, Esq., Deputy Commissioner, Legal Affairs
PO Box 40255
Olympia, WA 98504-0255

On August 16, 2004, the Insurance Commissioner (Commissioner) received a request for hearing from Brian F. Kreger, Esq., representing Unimed Insurance Company, et. al, and William A. Ledee, III, et. al. (Unimed, et. al., and Ledee, et. al.). The purpose of said request for hearing is to contest the Commissioner's Cease and Desist Order entered by the Commissioner on September 20, 2004.

Accordingly, on October 1, 2004, the undersigned held a first prehearing teleconference in this matter. Unimed Insurance Company, et. al., William A. Ledee, III, et. al., were represented by Brian F. Kreger, Esq., and the Commissioner was represented by Carol Sureau, Esq., Deputy Commissioner of his Legal Affairs Division. During said prehearing conference, the undersigned

OFFICE OF INSURANCE COMMISSIONER
NOTICE OF HEARING

No. D 04-150

Page 2

reviewed administrative procedure and addressed all concerns and questions of the parties. Of significance, the parties agreed that they would submit their witness lists to opposing counsel and the undersigned by November 9, 2004, and that said witness lists should be final unless the undersigned determined that, based upon unforeseeable circumstances, the undersigned determined that some witnesses should be added or substituted. Further, Mr. Kreger noted that he had asked for this matter to be referred first to the Office of Administrative Proceedings (OAH) for an initial decision pursuant to RCW 48.04.010(5); he advised that he had no objection to instead having the undersigned acting as presiding officer. Additionally, he was advised that RCW 48.04.010(5) only provides authority for licensees to request referral to OAH and therefore, because Unimed, et. al., and Ledee, et. al., are not licensees there is no authority to first obtain an initial decision from OAH. Finally, the parties agreed that the hearing in this matter shall be scheduled to commence at 10:00 a.m. on Tuesday, November 30, 2004, and shall continue on succeeding days until terminated.

The purpose of the hearing will be to determine the validity and propriety of the Commissioner's aforementioned Cease and Desist Order.

The hearing will be held under the legal authority and jurisdiction granted the Commissioner by the Insurance Code, Title 48 RCW, and specifically RCW 48.04.010.

As stated in the Demand for Hearing, Unimed, et. al., and Ledee, et. al., are aggrieved by the Commissioner's Cease and Desist Order in that they believe that the Order to Cease and Desist should be declared invalid and that the Order be vacated and that the Commissioner be instructed to refrain from all attempts to exercise regulatory jurisdiction over them, for reasons stated therein.

The Commissioner's position is as stated in her aforementioned Cease and Desist Order, a copy of which has been furnished to Unimed, et. al., and Ledee, et. al.

The Commissioner will be represented by Carol Sureau, Esq. Her mailing address is P.O. Box 40255, Olympia, Washington 98504-0255 and her telephone number is 360-725-7050.

The adjudicative proceeding will be conducted pursuant to the requirements of ch. 34.05 RCW, the Administrative Procedure Act, and will be governed by the model rules of procedure, ch. 10-08 WAC. Unimed, et. al., and Ledee, et. al., may be represented by counsel, and may examine witnesses and fully respond and present evidence and argument on all relevant issues involved.

Based upon a delegation of authority from the Commissioner, the undersigned will conduct the hearing and will make the final decision and enter the final order relative to this matter. Her address is P.O. Box 40255, Olympia, Washington 98504-0255 and her telephone number is (360) 725-7105.

OFFICE OF INSURANCE COMMISSIONER
NOTICE OF HEARING
No. D 04-150
Page 3

As above, on October 1, 2004, the undersigned held a prehearing teleconference in this matter. Any future questions or concerns, or requests for additional prehearing conferences, which may arise, may be directed by any party to Wendy Galloway, administrative assistant to the undersigned, who can be reached by telephone at (360) 725-7002 or at the above address or fax number (360) 664-2782.

As required by RCW 34.05.434(2)(I), you are advised that a party who fails to attend or participate in the hearing or other stage of the adjudicative proceeding may be held in default in accordance with ch. 34.05 RCW.

Pursuant to WAC 10-08-040(2) and in accordance with ch. 2.42 RCW, if a limited English-speaking or hearing impaired or speech impaired party or witness needs an interpreter, a qualified interpreter will be appointed. There will be no cost to the party or witness therefore, except as may be provided by ch. 2.42 RCW. Following this Notice is a form you may use to advise the Chief Hearing Officer of your need for an interpreter.

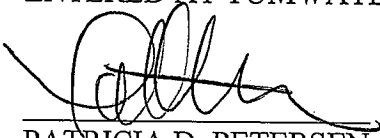
This Notice is provided pursuant to RCW 48.04.010 and RCW 34.05.434.

ORDER

Based upon the above activity,

IT IS HEREBY ORDERED that the adjudicative hearing in this matter shall commence on Tuesday, November 30, 2004, at the hour of 10:00 a.m., in the Office of the Insurance Commissioner, 5000 Capitol Boulevard, Tumwater, Washington, and shall continue on succeeding days until terminated.

ENTERED AT TUMWATER, WASHINGTON, this 4th day of October, 2004.


PATRICIA D. PETERSEN
Presiding Officer